HON'BLE THE CHIEF JUSTICE SRI G.S. SINGHVI
AND
HON'BLE SRI JUSTICE C.V. NAGARJUNA REDDY

Writ Appeal No.723 of 2007

Between:

The Managing Director/Liquidator,
A.P. State Federation Co-operative Spinning
Mills Ltd., Hyderabad

... Appellant

And

M. Ravi and another

... Respondents

Counsel for the appellant: Shri K. Rajanna

Counsel for respondent No.1: Shri G. Vidyasagar

Counsel for respondent No.2: None

::JUDGMENT::

September 14, 2007

Per G.S. Singhvi, CJ

This is an appeal for setting aside order dated 27-2-2004 passed by the learned Single Judge, whereby he disposed of Writ Petition No.11671 of 1994 filed by respondent No.1 herein for regularisation of his service by recording the following order:

"The petitioner joined the service of the second respondent on 24-12-1988 as Accountant on contract basis for a period of two years. However, the same was extended from time to time and he worked as such till 30-6-1994. When his service of contract was not being extended beyond 30-6-1994, the petitioner filed the present writ petition and obtained interim stay of the impugned order, and as such, he was continued in service till date. In the meanwhile, the petitioner was deputed to Khadi Village Industries Board. After serving there for some time, he was repatriated to the second respondent – Federation. However, as on the date of filing of the writ petition, he was working with Andhra Pradesh State Housing Corporation on deputation. In the meanwhile, on 21-8-1996 the case of the petitioner was taken up for the purpose of regular absorption into the service of the second respondent. However, the same was withheld for the reason that the present writ petition is pending, whereas in respect of others the regular absorption was given effect to. In the meanwhile, most of the employees of the second respondent – Federation were offered voluntary retirement and the company is under liquidation. Insofar as the petitioner is concerned, he is still treated to be an employee of the second respondent – Federation.

The only hurdle for not considering the case of the petitioner for the purpose of regular absorption on the basis of the proceedings dated 21-8-1996 was, the pendency of this writ petition. In view of the interim direction issued by this Court on 30-6-1994 and 7-9-1994 in W.P.M.P.No.14177 of 1994 and of the proceedings dated 21-8-1996 issued by the second respondent in Rc.No.4962/94-A2, no further orders are necessary in this writ petition."

Sri K. Rajanna, learned counsel for the appellant argued that by not adjudicating on the merits of the claim made by respondent No.1 for regularisation of his service, the learned Single Judge committed a serious error. He submitted that the Federation is already under liquidation and, therefore, the services of respondent No.1 cannot be regularised and this should be treated sufficient for setting aside the order under challenge.

In our opinion, there is no merit in the arguments of the learned counsel. A careful scrutiny of the record shows that during the

pendency of the writ petition, the screening committee constituted by the Federation considered the cases of respondent No.1 and other officers and employees, who were working on contract basis for absorption in the services of the Federation. The screening committee recommended regularisation of 14 officers/employees listed in Annexure-I appended to proceedings dated 21-8-1996. The regularisation of other nine officers/ employees including the respondent, who were shown in Annexure II, was withheld for reasons specified against their names. The reason indicated against the respondent's name was the pendency of the court case. This shows that even though respondent No.1 was adjudged suitable, his services were not regularised because of the pendency of the case. If respondent No.1 had not instituted the writ petition, the Federation would have regularised his service because no material is available on the record to show that he was found unfit or adjudged unsuitable.

In view of the above, we hold that the learned Single Judge did not commit any illegality or error by disposing of the writ petition in terms of interim orders dated 30-6-1994 and 7-9-1994 in WPMP.No.14177 of 1994 and proceedings dated 21-8-1996.

In the result, the appeal is dismissed.

G.S. SINGHVI, CJ

September 14, 2007

C.V. NAGARJUNA REDDY, J

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